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David S. Guzy
Minerals Management Service
Royalty Management Program
Rules and Procedures Staff
Denver Federal Center, Building 85
P.O. Box 25165, Mail Stop 3101
Denver, Colorado 80225-0165



Re: **Advance Notice of Proposed Rulemaking**
Valuation of Oil from Federal and Indian Leases
30 CFR Part 206
60 FR 65610 (December 20, 1995)

Dear David:

Amoco, one of the largest federal lessors and payors of royalty on oil and gas from federal leases, appreciates the opportunity to comment on the above-noted ANOPR. Amoco regularly participates in the MMS rulemaking process and regularly offers comments on proposed rules dealing with federal royalty. However, Amoco's ability to offer substantive comments at this time on the specific issues raised by the MMS in the indicated ANOPR is severely limited by the pendency of private litigation involving many of the same issues. These several, separate and unrelated lawsuits are in the initial stages of discovery and the resolution of these issues will not take place in the near future. During the pendency of this litigation, it would be imprudent for Amoco to comment concerning oil posted prices issues.

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March 11, 1996
Page - 2

Amoco also feels that the same constraints which limit its ability to offer substantive comments on the ANOPR at this time also prevent it from being able to participate in a negotiated rulemaking. We think the negotiated rulemaking process has served the MMS and industry well and think at some future time the process may be invoked for oil valuation.

AMOCO PRODUCTION COMPANY

By: 
Robert G. Leo, Jr.

RGL/mm